

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



July 31, 1989

ALL-COUNTY LETTER NO. 89-69

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: CHANGES IN EARNED INCOME DISREGARDS AND EITC--EFFECTIVE OCTOBER 1, 1989

The purpose of this letter is to provide counties with information regarding when to make changes in the amount of the earned income disregards, the treatment of Earned Income Tax Credits (EITC) and the order of income disregards as a result of the Family Support Act of 1988. The Act states changes are effective 10/1/89; however, counties questioned whether this meant effective with the October income or October grant. Based on information received from Family Support Administration, changes are effective with the income received in October 1989.

For new applicants, where payment is being determined prospectively, the change must be effective with the October grant. For continuing cases, see examples below:

Example 1: In continuing cases where income is received in September, November will be the payment month. In this case, the amounts and order of the old income disregards and any EITC received in September will be used in the determination of the grant for November.

Example 2: In continuing cases where income is received in October, December will be the payment month. In this case, the amounts and order of the new income disregards will be used in the determination of the grant for December and EITC will not be counted.

An implementing All-County Letter will be forthcoming. It will include any additional implementation instructions that are needed and revised forms and Notices of Action, as appropriate.

If you have any questions, please contact Ms. Sandra Poole-Taylor at (916) 324-2661.



ROBERT A. HOREL
Deputy Director